MUNICIPAL SPONSORSHIP PROGRAM

2006 Program Guidelines

Alberta
Municipal Affairs

http://www.municipalaffairs.gov.ab.ca

2006 Municipal Sponsorship Program
Guidelines

General Information

Alberta Municipal Affairs introduced the Municipal Sponsorship Program (MSP) in 1998. The objective of the MSP is to provide support for projects that:

- improve municipal governance or administration;
- enhance municipal services or service delivery; and/or
- increase intermunicipal cooperation.

The MSP is based on the premise that a municipal council will identify their municipal project needs. The Program will provide financial assistance for these projects through a conditional grant.

These Program Guidelines apply to year 2006 project applications only. Please use the 2006 Municipal Sponsorship Program Application Form to apply for 2006 grants.

Is My Municipality Eligible?

Any city, town, village, specialized municipality, municipal district, improvement district, special area, Métis settlement, or summer village with a population of 20,000 or less, based on the 2005 Alberta Municipal Affairs Official Population List, may apply for a grant under the 2006 MSP. The program excludes those municipalities with populations of over 20,000.

How Does The Grant Work?

All grant funding is conditional and project-based. Grants can be applied to operating or capital expenditures or both. The choice and definition of the project is up to the applying municipality, but it must be a project (not a list of unrelated items). Any project cost shortfalls or resulting ongoing funding requirements will be the responsibility of the municipality(ies), not the program.

Based on population size, a base grant has been calculated for each eligible municipality. The program also offers bonus funding for projects that are intermunicipal and/or based on a shared municipal-provincial priority, as described in these guidelines.

What Are The Terms For Using the Grant?

Each approved applicant must enter into a Conditional Grant Agreement with Alberta Municipal Affairs regarding the use of the grant before the funds will be released.

The terms of the Conditional Grant Agreement include the use of the grant for the approved project only, the eligibility, reporting and accountability requirements, the Minister's right to audit any grant project, and the Minister's right to require a refund of any grant funds not used in accordance with the agreement. Municipalities are required to apply any income earned (which includes interest, capital gains, dividends, etc.) on the approved grant to the project.

The following grant conditions must be met:

- none of the funds can be used for the municipal share of a provincial-municipal cost shared program or project where the use of other provincial funding is prohibited by that program or project;
- none of the funds will be used to pay for work done or materials obtained before the Minister signs the conditional grant agreement; and
- the project or the project phase being applied for must be completed by December 31, 2007.

Failure to comply with the terms of the agreement may result in the municipality having to repay the grant.

APPLICATION INFORMATION

The following information is designed to guide municipalities in preparing and submitting a completed application form.

How Do I Calculate My Municipality's Base Grant Amount?

Each eligible municipality qualifies for a base grant under the MSP. In addition, a municipality may choose to apply for bonus funding, depending on the project that is being undertaken.

The base grant is calculated as follows:

- For a municipality with a population from 1 to 1,000, a set grant of $3,000 plus an additional $9.00 per capita;
- For a municipality with a population from 1,001 to 5,000, a set grant of $12,000 plus an additional $7.00 per capita for the population in excess of 1,000; and
- For a municipality with a population from 5,001 to 20,000 a set grant of $40,000 plus an additional $5.00 per capita for the population in excess of 5,000.

Population Range	Set Grant Amount	Per Capita Rate	Grant Calculation
1 – 1,000	$3,000.00	$9.00	$3,000.00 + (Population x $9.00)
1,001 – 5,000	$12,000.00	$7.00	$12,000.00 + ([Population minus 1,000] x $7.00)
5,001 – 20,000	$40,000.00	$5.00	$40,000.00 + ([Population minus 5,000] x $5.00)

Examples of Calculating Base Grants

	Population	Grant Calculation	Base Grant
Municipality A	500	$3,000.00 + (500 x $9.00)	$7,500.00
Municipality B	3,500	$12,000.00 + ([3,500 -1,000] x $7.00)	$29,500.00
Municipality C	15,000	$40,000.00 + ([15,000 - 5,000] x $5.00)	$90,000.00

How Many Projects Can My Municipality Participate In?

Any eligible municipality may undertake or participate in up to three projects of its choice per year. A separate application form must be filled in for each project. If multiple projects are being undertaken, a minimum of 10 percent of the municipality's base grant must be assigned to each project.

Multiple Project Example

Municipality A has a population of 500 and a base grant of $7,500. Municipality A is planning to apply for two projects. The municipality is allocating 30% of its base grant to Project A and 70% to Project B, as the example below illustrates:

	Base Grant	Project	% Allocation	Total Allocation
Municipality A	$7,500.00			
		Project A	30%	$2,250.00
		Project B	70%	$5,250.00
		Total	***100%***	***$7,500.00***

How Can My Municipality Receive Bonus Funding?

Municipalities can receive bonus funding in three ways:

1. an *Intermunicipal Project* bonus in the amount of 25 percent of your project's base grant; or

2. a *Priority Project* bonus in the amount of 65 percent of your project's base grant; or

3. an *Intermunicipal and Priority Project* bonus that is calculated as a 25 percent intermunicipal bonus on your project's base grant **plus** an additional 65 percent priority project bonus on the combined base grant and intermunicipal bonus total.

You must indicate on the application form if the project is intermunicipal and/or a priority project.

Intermunicipal Project Bonus

Groups of municipalities are encouraged to work together on projects of common interest and benefit, and apply jointly for a grant under the program. Municipalities partnering on projects will receive an *Intermunicipal Project* bonus of 25 percent of the proportion of your base grant that is going to be committed to the intermunicipal project.

One of the municipal partners must be designated as the managing partner for the project. All participating councils must pass council resolutions designating the managing partner of the project (Refer to Appendix A for a Sample Council Resolution). Only the municipality that is the managing partner can apply for a grant for an intermunicipal project. The managing partner must obtain resolutions from all the participating councils, prepare the application, administer the funding received, and report on the completion of the project.

For a project to qualify as intermunicipal each municipal partner must contribute a minimum of 10 percent of its base grant, and at least two eligible municipalities must participate in the project. Each municipal partner must provide a council resolution to

or proportion of the base
the managing partner that indicates the base grant amount e project. The managing
grant (do not include bonuses) that they are assigning to th lication form.
partner will be required to show bonus calculations on the appl

Intermunicipal Project Bonus Example ,500. Municipality B has a
Municipality A has a population of 500 and a base grant of $7 s allocating 30% of its base
population of 3,500 and a base grant of $29,500. Municipality A ity B is allocating 50% of its
grant to an intermunicipal project with Municipality B. Municipalict bonus is 25% of the total
base grant to the intermunicipal project. The Intermunicipal Proje
base grants, as the example below illustrates:

	Base Grant	% Allocated	tal Project Tot		
			00		
Municipality A	$7,500.00	30%	$2,250.00		
Municipality B	$29,500.00	50%	$14,750.00	→	**$17,000.00**
		Total	$17,000.25		
		Intermunicipal Bonus	X 0.20	→	**$4,250.00**
			$4,250.0		***$21,250.00***
			Total Grant		

Priority Project Bonus ovincial-municipal priority.
Certain types of projects are defined as having a shared pr of the share of your base
Priority projects are eligible to receive a bonus of 65 percent llowing categories:
grant assigned to the project. Priority projects fall under the fo

- Energy Efficiency;
- Infrastructure Management;
- Emergency Services;
- Sustainability and Land Use Planning; and on Systems.
- Water and Wastewater Treatment and Distribution/Collecti

the proposed project falls
Information on the application will have to show clearly that idix B for a detailed list of
within one of the areas defined as priorities. Refer to Appen
the types of priority projects.

Priority Project Bonus Example $90,000. Municipality C is
Municipality C has a population of 15,000 and a base grant of 00% of its base grant to the
proposing to undertake an energy efficiency project and allocate 1 ant, as the example below
project. The Priority Project bonus is 65% of the total base gr
illustrates:

	Base Grant	% Allocated	tal Project Tot		
			0		
Municipality C	$90,000.00	100%	$90,000.00	→	**$90,000.00**
		Total	$90,000.05		
		Priority Bonus	X 0.60	→	**$58,500.00**
			$58,500.0		***$148,500.00***
			Total Grant		

Combined Intermunicipal and Priority Project Bonus

Bonuses for *Intermunicipal Projects* and for *Priority Projects* are cumulative: If the application is for a priority project being undertaken by an intermunicipal partnership, both bonuses will be given (an intermunicipal bonus of 25 percent of the municipal partners' total base grant amount for the project **plus** an additional 65 percent priority project bonus).

Priority and Intermunicipal Project Bonus Example

Municipality A has a population of 500 and a base grant of $7,500. Municipality B has a population of 3,500 and a base grant of $29,500. Municipality A is allocating 30% of its base grant to an intermunicipal priority project with Municipality B. Municipality B is allocating 50% of its base grant to the intermunicipal priority project.

Cumulative Intermunicipal Project and Priority Project bonuses are calculated as follows:

	Base Grant	% Allocated			Total
Municipality A	$7,500.00	30%	$2,250.00		
Municipality B	$29,500.00	50%	$14,750.00		
		Total	$17,000.00	→ $17,000.00	
		Intermunicipal Bonus	X 0.25		
			$4,250.00	→ $4,250.00	
			Sub-Total	$21,250.00	→ $21,250.00
		Priority Bonus		X 0.65	
			Sub-Total	$13,812.50	→ $13,812.50
		Total Grant			***$35,062.50***

If your project is applying for bonus funding, the bonus amount(s) must be included in the total grant amount requested. **Please note that your municipality or partnership will NOT, under any circumstances, receive a larger grant than the amount applied.**

APPLICATION PROCEDURES

When Is The Application Deadline?

The application deadline is October 16, 2006. Late applications will not be considered unless circumstances are exceptional and Alberta Municipal Affairs is satisfied with the reason for the lateness. Earlier applications are encouraged.

What Is The Application Review Process?

Alberta Municipal Affairs staff will review each application for completeness. For projects that are intermunicipal or priority projects, the review will ensure that the project falls within the parameters set for eligible projects. If there are any problems at this stage, staff will contact the Chief Administrative Officer and work to resolve any outstanding issues or interpretations.

When Will My Municipality Be Notified About Our Grant Application?
Applications should be processed within 90 days and applicants will be contacted after departmental approval of their applications.

What Happens After My Municipality's Project Is Complete?
Each municipality receiving a grant must complete the following compliance requirements:

Acknowledgement of Compliance: Within a month of project completion, the Chief Administrative Officer of the municipality receiving the grant must sign and file an Acknowledgement of Compliance form, certifying that the grant was used for the approved project in accordance with the terms of the Conditional Grant Agreement. An Acknowledgement of Compliance form will be sent out at a later date, or can be requested from Alberta Municipal Affairs.

Benefits Report: A municipality receiving a grant of $50,000 or more is required to provide a statement summarizing the benefits realized from the project within one month of project completion (by January 31, 2008, or sooner). The benefits of a project provide an important summary of its value to the municipality and should demonstrate how they support the objectives of the program. A form for this statement will be sent to the municipality with the Acknowledgement of Compliance form. The Benefits Report should answer the following question:

- How has the municipality(ies) benefited from the project results in terms of improved municipal governance or administration, enhanced municipal services or service delivery, and/or increased municipal cooperation?

Municipalities should identify the main benefits of their project (e.g., improved water quality, energy efficiency savings, enhanced emergency services). Municipalities are also encouraged, to the greatest extent possible, to indicate quantifiable measures that provide a numerical value for the project's impact on the community (e.g., # of residents impacted, savings, change in emergency response times).

Review Engagement Report: If a municipality receives a grant of $100,000 or more, a Review Engagement Report must be submitted at the time of submitting the municipality's annual audited financial reports to Alberta Municipal Affairs (by May 1 of the year following project completion) regarding the applicant's compliance with the conditions of the Conditional Grant Agreement. The Review Engagement Report must be prepared by a "public accounting firm" as defined by the Regulated Accounting Profession Act (Alberta) and the report should be in a format consistent with Section 8600 of the Canadian Institute of Chartered Accountants (CICA) Handbook.

Provincial government accountability requirements mean that program staff must ensure an acceptable level of municipal compliance with the conditions outlined in these guidelines and the Conditional Grant Agreement. While program staff want to be helpful when problems arise, staff will employ follow-up and collection procedures to deal with municipalities that do not make reasonable efforts to meet the conditions of the Conditional Grant Agreement.

What Happens If My Project Changes?
In some cases, a municipality may fall behind schedule and not be able to complete a project on time or as originally described. In these instances, a time extension and/or project description amendment may be required.

It is the department's intent to accommodate reasonable project delays and problems where possible. However, to meet program accountability and compliance conditions, municipalities requesting project description amendments or completion date extensions must submit a request in writing that includes at least the following:

- the project funds expended at the date of the request;
- the reason for the delay or the project description change;
- the revised completion date; and
- the revised project budget, any revised project components, and any other significant changes to the original proposal requested, in the case of project description amendments.

Upon receipt of such a request, program staff will consider the request and provide recommendations to the Assistant Deputy Minister. If the request is approved, program staff will then prepare an amending conditional grant agreement to amend the original documentation or project conditions and forward it for the municipality's signature(s) in order to proceed with the requested changes.

Where significant time extensions, project changes, or other circumstances warrant it, municipalities may also have to account for any income earned if so advised by program representatives.

For More Information

If you have any questions or require further information on the Municipal Sponsorship Program, please contact:

Ms. Lou Espino, Manager, Grants and Information Support,
Ms. Marie Juengel, Manager, Conditional Grant Programs, or
Ms. Susan McFarlane, Grant Program Coordinator

By phone at (780) 427-2225 or toll-free at 310-0000, or
By e-mail at municipal.sponsorship@gov.ab.ca

Return completed applications to:
Alberta Municipal Affairs
Municipal Services Branch
Grants and Administration Unit
17th Floor, 10155 – 102 Street
Edmonton, AB T5J 4L4

or by fax: (780) 422-9133

APPLICATION DEADLINE IS OCTOBER 16, 2006

Earlier applications are encouraged.

APPENDICES

Appendix A: Sample Resolution

Municipal Sponsorship Program

COUNCIL RESOLUTION

1. "Be it resolved that Council authorizes (Legal Status and Name of the Municipality) to participate in, and submit a Municipal Sponsorship Program grant application for (Municipal Sponsorship Program Project Title) under the Alberta Municipal Affairs Municipal Sponsorship Program; further

2. That (Legal Status and Name of the Municipality) agrees that (Legal Status and Name of the **Managing** Municipality) be designated the managing partner of (Municipal Sponsorship Program Project Title) for the purposes of receiving, administering, allocating, reporting, and accounting for the grant funds on behalf of the partners; further

3. That (Legal Status and Name of the Municipality) agrees to allocate ($ dollars or % percent) of its Municipal Sponsorship Program base grant to the (Municipal Sponsorship Program Project Title); and further

4. That (Legal Status and Name of the Municipality) agrees to enter into a Conditional Grant Agreement governing the purpose and use of the grant funds if it is the managing partner, or if not agrees to abide by the terms of the Conditional Grant Agreement signed by the managing partner on behalf of the other eligible municipal partners governing the purpose and use of the grant funds."

_____
Chief Elected Official or Signing Officer
Duly Authorized by Council

_____
Date

Appendix B: Shared Provincial – Municipal Priority Projects for 2006

Sections 1 to 5 contain a listing of the general types of priority projects that may be funded under the Municipal Sponsorship Program. The list is not intended to be inclusive and reasonable flexibility will be used in determining the eligibility of specific projects.

1. ENERGY EFFICIENCY

- Energy efficient components of new building construction, such as the increased design costs as a result of including energy efficient options, and the increased construction costs as a result of implementing energy efficient solutions.
- Building retrofits that serve to improve the energy efficiency of current operations, for example:
  - Architectural retrofits that reduce heat transfer (gain or loss) through building components (e.g. walls, roofs, doors and windows);
  - Modifying or upgrading Heating, Ventilating and Air-Conditioning systems (HVAC) to newer, more energy efficient models (e.g., Energy Star qualified furnaces, air conditioners and programmable thermostats);
  - Upgrading insulation, weather-stripping and/or replacing windows with modern sealed-glass windows;
  - Upgrading to an energy efficient furnace/hot water heater;
  - Upgrading or retrofitting the interior and/or exterior lighting to energy saving alternatives;
  - Installation of lighting timers, occupancy sensors and/or dimmers;
  - Building control systems;
  - Retrofitting ice resurfacers to energy efficient alternatives; and
  - Green power generation (e.g., solar pool, geothermal pool, or ground-source heat pump).
- Transportation infrastructure retrofits that includes traffic signal conversion to light emitting diodes (LEDs) and streetlight retrofits.
- Replacing domestic appliances in municipal buildings with new Energy Star qualified appliances (e.g., refrigerators, dishwashers, laundry facilities and water coolers).
- Vehicle fleet retrofits that include conversion of on-road vehicles to, for example, natural gas or the conversion of off-road vehicles, such as ice resurfacers, to, for example, natural gas or battery operation.
- Renewable and alternative energy projects, for example, wind power, photovoltaic (solar), district energy, landfill gas capture, and cogeneration (combined heating and power facilities).
- Programs, initiatives and audits related to recycling or recovery of waste materials (e.g., residential scrap metal recycling).

2. INFRASTRUCTURE MANAGEMENT

- Implementation of the Municipal Infrastructure Management System (MIMS) or other infrastructure management systems, including the purchase of software and the collection, conversion and input of data for:
  - Water distribution systems;
  - Water treatment systems;
  - Wastewater collection systems;
  - Wastewater treatment systems;
  - Stormwater systems;
  - Road systems;
  - Gas systems; and
  - Buildings.
- Data costs include data gathering, data creation and data maintenance efforts.
- Data gathering includes field survey, location by global positioning system, ortho-photo, as-built or record drawings, visual or video inspections, flow tests, structural analysis, condition assessments, modelling, etc.

- Collecting information on the asset type, amount, lengt
  year, condition of the infrastructure, etc.
- Conversion of paper records to digital formats, includin
  CAD (Computer Assisted Drawing, such as AutoCAD)
- Acquiring a cadastral base or other geographic referen
  data.
- Development of infrastructure system master plans.
- Development of long-term capital plans.
- Purchase of any hardware/software and support to facin
  including computers, printers, scanners, Global Positio
  connectivity, technical support, desktop and GIS and G
- Training.

3. EMERGENCY SERVICES

- Facilities, equipment, vehicles and support related to t
  - Police;
  - Fire;
  - Ambulance and First Aid; and
  - Disaster and Emergency Measures.
- Typical examples, include:
  - Development of emergency plans and progra
    recovery programs;
  - Development of safety services programs;
  - Training;
  - Emergency services training facilities;
  - Communications equipment and systems (e.g
  - Global positioning and automatic vehicle locat
    vehicles;
  - Emergency operations centres;
  - Ambulance equipment (e.g., cots, stretchers,
  - Firehall upgrades;
  - Fire fighting equipment (e.g., hoses, pumps, g
    packs, air tanks, etc.);
  - Specialized fire fighting vehicles (e.g., pumpe
    water delivery tanks (or tanker shuttles), dang
    related equipment, mobile command post vehi
  - Specialized rescue equipment and vehicles (e
    boats, equipment transport vehicles and perso
  - Emergency vehicle storage facilities; and
  - Directional and addressing signage.

4. SUSTAINABILITY AND LAND USE PLANNING

- The development or review of plans, practices and polig
  management and use of lands and resources, includin
  policies could address a number of development-relate
  - The environment;
  - Agricultural, residential, commercial, and indus
  - Parks and open space;
  - Transportation;
  - Servicing (utilities);
  - Economic development; and

- The coordination of land use, future growth patterns and infrastructure.

- The preparation of statutory and non-statutory plans and related studies, including:
  - Assessments (e.g., environmental impact assessments);
  - Land use and development feasibility studies and modeling;
  - Background studies and research for plan formation;

  Examples include:
  - Area Structure Plans;
  - Intermunicipal Development Plans;
  - Area Redevelopment Plans;
  - Municipal Development Plans;
  - Growth studies;
  - Tourism studies;
  - Agricultural Diversification studies;
  - Recreation Master Plans (e.g., natural spaces management plan, multi-use utility recreational plan); and
  - Environmental Plans (e.g., lakeshore management studies).
- Conducting sustainable strategic planning, community planning, and development initiatives and the related resources and equipment necessary to conduct this planning work.
- Expenses related to carrying out public consultations in developing a sustainability plan or on any land use planning project.
- Implementing automated systems for the planning, management, modeling, and forecasting of development and land resources.
- The development of educational materials for land use and planning (e.g., a municipal guide).
- The development of design guidelines.
- Purchase of any hardware/software and support to facilitate land use management including computers, printers, scanners, Global Positioning System (GPS) equipment, Geographic Information Systems (GIS), mapping software, network connectivity, technical support, etc.

5. WATER AND WASTEWATER TREATMENT AND DISTRIBUTION/COLLECTION SYSTEMS

- Upgrades to water and wastewater infrastructure, including:
  - Water and wastewater treatment facilities;
  - Water and wastewater pumping facilities;
  - Raw water supply line to storage facilities;
  - Raw water storage facilities;
  - Raw water supply lines from storage facilities to treatment facilities;
  - Sewer lines from the collection system to the wastewater treatment facilities;
  - Outfall sewer lines from the wastewater treatment facilities to the point of discharge of disposal and related works;
  - Sewage collection system extensions, upgrades and replacements, including service mains to the property line;
  - Water distribution system extensions, upgrades, and replacements, including individual services to the property line;
  - Treated water supply lines; and
  - Treated water storage facilities and related works (e.g., drinking water facilities in recreation areas; bulk water fill stations, etc.).
- Developing and implementing regional water and wastewater systems.
- Planning and/or studies directly related to eligible projects, including:
  - Preparation of infrastructure management systems and plans;
  - Preparation of water conservation plans;
  - Preparation of water source protection plans;
  - Preparation of watershed management plans; and

- Aquatic ecosystem assessments.

- Monitoring systems to monitor and report on surface water quality and wastewater effluents, the quality of groundwater and water in watersheds, and aquatic ecosystems.
- Conservation strategies, such as:
  - Development of water and wastewater conservation policies;
  - Public education and awareness initiatives;
  - Water and wastewater reuse and recycling technologies;
  - Water meters;
  - Water pricing and billing systems; and
  - Systems and equipment to monitor and report actual water use (e.g., water readers).